BIPROGY Group
TCFD/TNFD Report 2025

Fiscal Year Ended March 31, 2025

BIPROGY | Foresight in sight

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Introduction

Introduction

Environmental Management at the BIPROGY Group: Building a Sustainable Future Through Technology

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Koji Katsuya
Representative Director,
Executive Corporate Officer, CSO

Purpose and Environmental Management

The BIPROGY Group's Purpose is to "create a sustainable society using foresight and insight to unlock the full potential of technology." With this Purpose as our foundation, we aim to balance the creation of both social and economic value. As part of this effort, our Long-Term Environmental Vision 2050 envisions the realization of a zero-emission world through digital technology, and we are accelerating our initiatives to create a sustainable future. Environmental action is no longer limited to fulfilling corporate social responsibility—it has become a core element of corporate strategy.

As global issues such as climate change, biodiversity loss, and the degradation of natural capital become increasingly evident, there is growing demand for technological solutions. This aligns perfectly with the Group's Purpose and environmental vision. For us, environmental initiatives represent a key component of management strategy—shaping corporate value, competitive advantage, and long-term business resilience.

Emphasis on Disclosure and Dialogue

Mandatory sustainability disclosure in securities reports is being phased in, and even from an environmental perspective alone, companies are now required to respond swiftly to international disclosure frameworks such as the Task Force on Climate-related Financial Disclosures (TCFD) and the Taskforce on Nature-related Financial Disclosures (TNFD). The Group actively utilizes these global frameworks not only to strengthen governance but also as important guidelines for strategic planning.

Furthermore, environmental challenges cannot be solved by any one company in isolation. By advancing disclosure in line with these standards, we aim not only to fulfill our accountability but also to promote dialogue with a wide range of stakeholders—including customers, business partners, and investors—and to work together to achieve carbon neutrality and a nature-positive future.

Our Initiatives in Fiscal 2024

To enhance the sustainability of our business, the Group regularly conducts climate scenario analyses. In recent years, we have aligned these analyses with TCFD disclosure, with a particular focus on the quantification and disclosure of financial impacts.

In fiscal 2024, we obtained Science Based Targets (SBT) validation of our GHG emissions reduction targets, thereby confirming that our environmental goals are scientifically grounded. We also placed stronger emphasis on initiatives related to natural capital. Our endorsement of the TNFD recommendations and registration as a "TNFD Adopter" demonstrate our commitment to expanding opportunities and reducing risks related to natural capital. Following the TNFD's LEAP approach, we have advanced the assessment of natural capital–related risks and the establishment of management indicators.

We practice co-creation with our customers and business partners to achieve mutual sustainable growth by addressing environmental challenges.

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Approach to Climate Change and Natural Capital

The current degradation and loss of natural capital present environmental challenges that pose nature-related risks across the value chain. However, at the BIPROGY Group, we also see opportunities to contribute to solving environmental issues through our business activities. To share this perspective group-wide, we have established the BIPROGY Group Environmental Policy.

Under this policy, we are implementing initiatives such as energy efficiency improvements, the effective use of water resources, and investments in biodiversity conservation in our daily business operations. By advancing these efforts, we aim to promote nature positivity while enhancing our competitive strength. The Group is also committed to strengthening relationships of trust with its stakeholders, including customers and business partners, to co-create business ecosystems that provide value to society. Through this approach, we seek to address social challenges while achieving mutual sustainable growth.

BIPROGY Group Environmental Policy
https://sustainability-cms-biprogy-s3.s3-ap-northeast-1.amazonaws.com/pdf/environmentalpolicy_e.pdf

BIPROGY Group Environmental Policy

The BIPROGY Group pursues environmental conservation activities across its business while effectively using resources and energy, addressing climate change, and giving full consideration to the preservation of natural capital.

Basic Philosophy

As a corporate group that draws on foresight and insight to unlock the potential of technology for creating a sustainable world, we continue to address environmental concerns across all of our business activities.

Basic Policies

We have built a business ecosystem that spans sectors and business models linking various companies, and we contribute to sustainable development ensuring the Committee is supervised by the Board. In addition, the chair of the Sustainability Committee serves as a Director. and preserve the environment.

1. We build environmental management systems, set environmental targets, and work to continuously improve environmental conservation activities with the aim of realizing a zero-emissions society.
2. The Sustainability Committee and its subordinate committees discuss and monitor formulation of plans and implementation of policy and initiatives related to the environment. The chair of the Sustainability Committee regularly reports on the progress of plans and initiatives to the Board of Directors, thereby
3. In formulating plans, we utilize independent external expert knowledge on the environment in addition to engaging in dialogue and consultation with the relevant external stakeholders.
4. We comply with laws and regulations related to environmental conservation and other requirements the BIPROGY Group has agreed to.
5. We pursue business activities that use resources and energy effectively, address climate change, and give full consideration to preserving biodiversity and ensuring water security.
   (1) We pursue green procurement in business activities.
   (2) We strive to provide products and services that improve productivity and conserve energy in customers' business activities, in ways that are technologically and economically feasible.
   (3) In our offices, we strive to reduce electricity use, promote paperless practices, manage waste and water, and work toward resource recycling.
6. We contribute to the popularization of power generation from natural energy sources to help reduce society's environmental impact.
7. We conduct regular educational and awareness-raising activities for employees with the aim of ensuring they recognize the importance of environmental conservation.
8. We share these policies widely with everyone who works in or for the organization and with the general public.

Scope of Application

These policies apply to the entire BIPROGY Group. In line with these policies, we require our business partners and suppliers to comply with the Environmental Conservation section of the BIPROGY Group Sustainable Procurement Guidelines. These policies also apply to matters of distribution, logistics, due
diligence in mergers and acquisitions, and to partners not subject to the above guidelines.

Noboru Saito
Representative Director, President & CEO
BIPROGY Inc.
Effective: August 1, 2025

This report seeks to provide integrated disclosure based on the TCFD and TNFD frameworks.

TCFD
TNFD

Disclosure Scope

TCFD provides a framework for disclosing financial risks and opportunities related to climate change, while TNFD offers a framework for assessing and disclosing dependencies and impacts on natural capital as a whole. This report is structured in alignment with both frameworks, and the Group's initiatives on climate- and nature-related issues are advanced in accordance with them. We believe that integrated application of the TCFD and TNFD frameworks enables comprehensive risk management and sustainable business decision-making. Based on the results of evaluations and analyses as of the end of March 2025, this report discloses the BIPROGY Group's climate- and nature-related issues using the respective frameworks of the TCFD and TNFD. By publishing this report separately from our Sustainability Report and Integrated Report, we aim to further enhance understanding of our sincere commitment to achieving both zero emissions and a nature-positive future.

The reporting scope covers BIPROGY Inc. and its group companies (including consolidated and non-consolidated subsidiaries). When the scope differs for particular items, this is specified individually. The reporting period is fiscal 2024 (from April 1, 2024 to March 31, 2025), although activities from previous fiscal years and outlooks beyond fiscal 2025 are included where relevant. Quantitative and qualitative assessments regarding the future are based on forecasts and therefore involve uncertainties.

		TCFD	TNFD
Characteristics	Scope	Climate-related issues (climate-related risks and opportunities)	Nature-related issues (dependence on and impacts on nature, risks and opportunities)
	Environmental focus	Climate change, mainly atmospheric	Natural capital in general (atmosphere, land, ocean, and freshwater)
Disclosure framework pillars	Governance	Integrate and disclose governance regarding climate- and nature-related issues	
		Board of Directors oversight, and role of senior management	• Board of Directors oversight, role of management • Organization's human rights policy, engagement activities Note: Describes "Governance C," which was recently added to the TNFD recommendations
	Strategy	Explanation of risks and opportunities related to climate change	Explanation of nature-related dependencies, impacts, risks and opportunities
		Scenario analysis, and quantification of financial impacts	Conducted a Locate evaluation of the Group's bases
	Risk (and impact) management	Integrate and disclose management of risks (and impacts) related to climate- and nature-related issues	
		Disclose the risk identification and assessment process	Disclose the process for identifying and assessing dependencies and impacts as well as risks and opportunities
	Indicators and targets	Setting of indicators and targets in line with material issues	Water resources and waste disposal Note: We consider water usage and pollution (solid waste) as important impact drivers and recognize them as key issues for the Group.

Based on the double materiality approach, we are pursuing integrated solutions to nature-related issues in our direct operations and upstream supply chains.

TCFD
TNFD

Response to the Six General Requirements of the TNFD

The Group is responding to the general requirements set out in the TNFD Framework as shown on the right.

General Requirements	BIPROGY Group Responses
Application of materiality	We are assessing impacts on stakeholders as well as the Group's business operations, identifying key issues based on the double materiality perspective, which considers the significance of the impacts on both sides.
Scope of disclosures	We have outlined the dependencies and impacts associated with our direct operations and upstream supply chains across the Group's six main business areas (system services, support services, outsourcing, other services, software sales, and hardware sales). Among these, we are disclosing the dependencies, impacts, risks, and opportunities of our outsourcing business, which especially characterizes the Group's relationship with nature.
Location of nature-related issues	We have conducted a location-based analysis of our offices (both owned and leased) and data center locations, where we provide services to our customers.
Integration with other sustainability-related disclosures	Regarding nature-related challenges, our aim is to reduce and manage business risks across the entire value chain, particularly in areas related to human rights and environmental impact, as identified in the Group's material issues. Rather than addressing individual issues in isolation, we are taking an integrated approach to problem-solving while working to mitigate trade-off risks.
Time frames	We have defined the time frames for climate- and nature-related risks and opportunities as follows: Short term: 1–3 years; Medium term: 4–10 years; Long term: Over 10 years
Engagement with indigenous peoples, local communities and affected stakeholders	The Group's Human Rights Policy stipulates respect for the rights of indigenous peoples and local communities. As part of our human rights efforts, we are committed to effective stakeholder engagement, ensuring full and meaningful consultations with all stakeholders. Through this approach, we are working to recognize the rights of existing communities, protect local resources, and preserve the identity and culture of indigenous peoples.

Chapter 1. Governance

Our responses to climate and nature-related issues are overseen by the CSO-chaired Sustainability Committee, under the supervision of the Board of Directors.

TCFD
TNFD

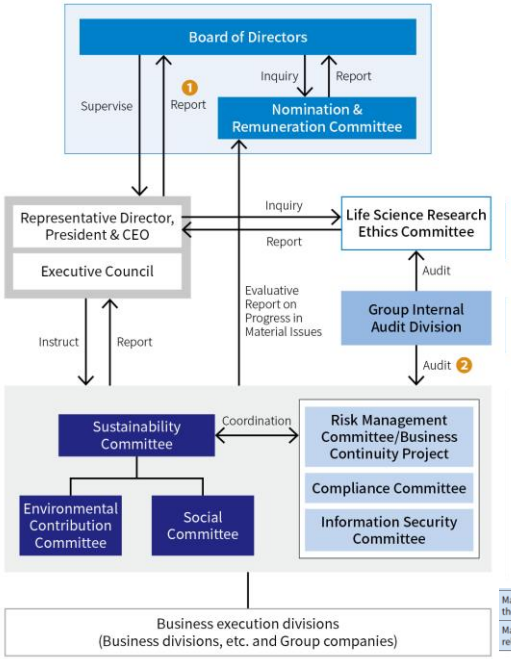
Oversight Structure and Roles of Directors Regarding Climate and Nature-Related Issues

The Chief Sustainability Officer (CSO), the member of the Board of Directors who is responsible for climate- and nature-related issues, has overall responsibility for the Group's initiatives that contribute to the Sustainable Development Goals (SDGs) and the Group's sustainable management strategy. The CSO also regularly reports on the Group's sustainability activities, including response to climate- and nature-related issues, to the Board of Directors each fiscal year, and the board's oversight framework is maintained.

As for the Group's response to environmental issues, including climate change and natural capital, related issues are deliberated and decided upon at the Sustainability Committee, the decision-making body chaired by the CSO, or its subordinate body, the Environmental Contribution Committee. The Environmental Contribution Committee is responsible for examining policies related to environmental contributions, designing mechanisms to promote environmental contributions, and managing and supervising the implementation status (Please refer to the image on the right).

The Group is strengthening its ability to address climate- and nature-related issues by making strategic and swift management decisions.

Sustainability promotion structure (As of June 26, 2025)



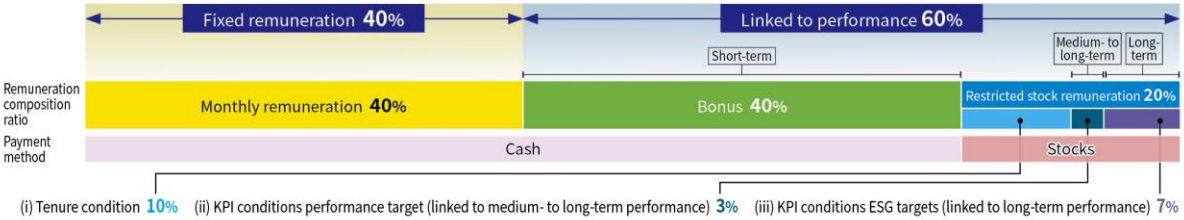
Main items reported to the Board of Directors ①	• Progress and challenges with material issue KPIs and targets • Responding to sustainability-related risks and opportunities • Endorsement of the TNFD recommendation • Results of major ESG evaluations and issues for improving evaluations
Major audit items related to sustainability ②	Conducting internal environmental audits to confirm the effectiveness of the maintenance and operation of the BIPROGY Group environmental management system

We have introduced a system that links executive compensation to the achievement of ESG-related indicators, including climate-related initiatives.

TCFD
TNFD

Long-term performance conditions, including conditions related to climate-related response, were incorporated into the executive compensation system introduced in June 2021. Long-term performance conditions KPIs related to material issues include ESG indicators, such as GHG emissions reduction targets, which are material issues KPI for achieving Vision 2030. The Board of Directors decides on compensation following deliberations based on reports by the Nomination & Remuneration Committee, an advisory body. The Group is also considering incorporating efforts to address nature-related issues into the executive compensation system.

Illustration of executive director remuneration



a Fixed remuneration (monthly remuneration) **40%**

The monthly remuneration for directors shall be no more than ¥35 million, and for Audit & Supervisory Board members no more than ¥8 million.

b Bonus (linked to short-term performance) **40%**

The total annual amount of bonuses for executive directors shall be no more than ¥400 million, and is determined by the Board of Directors in accordance with a standard amount by position and a standard coefficient based on profit attributable to owners of parent as determined by the Nomination & Remuneration Committee (for now, up to 0.5%).

c Restricted stock remuneration **20%**

The Company has adopted a restricted stock remuneration plan for executive directors, which incorporates three requirements and indicators: (i) tenure condition, (ii) medium- to long-term performance target (total shareholder return (TSR) growth rate versus TOPIX), and (iii) ESG targets (see pages P.16-17). These are paid at a ratio of 3:1:2, respectively.

The tenure conditions in (i) are designed to have executive directors share awareness and value with shareholders through share ownership. The performance indicator in (ii) is linked to medium- to long-term business performance, a comparative measure versus TOPIX of the degree to which we have independently increased our corporate value independently of overall market influence. The ESG indicators in (iii) function as guideposts to the realization of important issues that we are taking action on. The total annual amount of monetary claims for restricted stock remuneration shall be no more than ¥200 million per year (the total annual number of shares of common stock to be issued or disposed of in exchange for this compensation is limited to 66,000).

Throughout our value chain, we advance initiatives that recognize the rights and cultures of stakeholders, including indigenous peoples and local residents.

TNFD

Human Rights Policy and Engagement Activities on Nature-Related Issues

The BIPROGY Group is committed to respecting the rights and cultures of indigenous peoples and local communities and has established a Human Rights Policy to ensure that its business activities do not cause or contribute to rights violations or environmental degradation. As part of our human rights efforts, we engage in dialogue with indigenous and local communities, working to recognize the rights of existing communities, protect local resources, and preserve the identity and culture of indigenous peoples. Through these initiatives, we aim to uphold and promote respect for human rights in all aspects of our business activities.

Key Stakeholders for Group Engagement
Customers
Employees and their families
Shareholders and investors
Business partners
Local communities (including indigenous peoples and local communities)

The BIPROGY Group recognizes the need to promote respect for human rights throughout the entire supply chain. We support international norms such as the Universal Declaration of Human Rights and the ILO Core Labour Standards, and recognize respect for human rights as an important element of corporate activities.

To fulfill our responsibility to respect human rights across the entire value chain, we conduct human rights due diligence—a series of processes aimed at identifying, preventing, and mitigating negative human rights impacts within the Group and among our suppliers. We also evaluate the effectiveness of these efforts and disclose information on how we address human rights-related issues.

In June 2020, we published the BIPROGY Group Human Rights Policy based on the United Nations Guiding Principles on Business and Human Rights. In August 2024, we updated our Human Rights Policy to clarify our commitment to respecting human rights across our value chain and to incorporate guidelines addressing nature-related human rights issues.

BIPROGY Group Human Rights Policy:
https://sustainability-cms-biprogy-s3.s3-ap-northeast-1.amazonaws.com/pdf/humanrightspolicy_e.pdf

Chapter 2. Strategy

We integrate our efforts to address environmental issues into our business strategy and our work to build a sustainable world

Initiatives to Integrate Environmental Responses with Business Strategy

The Group believes that addressing climate change is an important management issue that affects corporate value in many ways. Recognizing that it is important to have a strategy and the flexibility to respond to changes in uncertain circumstances, we are working to mitigate climate-related risks and expand opportunities. As part of these efforts, since 2021 we have been continuously conducting impact assessments of climate change scenario analyses, employing a group-wide, cross-functional project, in order to ensure the findings are incorporated into our business strategy.

Under our Vision 2030—"We will develop the Digital Commons as a platform for creating a society where everyone can live happily"—the Group has identified five material issues that it must strategically address to integrate sustainability into its management practices. Our environmental initiatives focus on two material issues:

- Contribute to the environment through the use of digital technology and reduce the environmental impact of business activities in order to help build a world of net-zero emissions
- Sustainably procure and provide safe, secure products and services throughout the entire value chain

By addressing these issues, we are working to reduce greenhouse gas emissions from our business activities and to contribute to the environment by supporting the Digital Commons.

Category	Material Issues
Material issues in business growth	Create schemes to solve issues through the use of digital technology and business ecosystems
	Contribute to the environment through the use of digital technology and reduce the environmental impact of business activities in order to help build a world of net-zero emissions
Material issues as the foundation supporting business growth	Sustainably procure and provide safe, secure products and services throughout the entire value chain
	Develop and strengthen human resources to create a new future and promote diversity and inclusion
	Further improve corporate governance and integrity

Item	Description
Climate change scenario analysis	Percentage of business opportunities and risks identified via climate change scenario analysis (impact evaluation) for which a risk response has been implemented
Objectives of our climate change scenario analysis	Ensuring corporate value, competitive advantages, and long-term business resilience • Strengthen initiatives that help solve social issues such as GX efforts • Acquire new capabilities to address social challenges such as GX, thereby enhancing both customer value and social value • Focus growth businesses on SX, GX, smart living solutions, and regional revitalization, while forming cross-industry business ecosystems to co-create social DX initiatives GX: Green Transformation; SX: Sustainability Transformation; DX: Digital Transformation

We are actively investing in priority business areas while also promoting the procurement of renewable electricity.

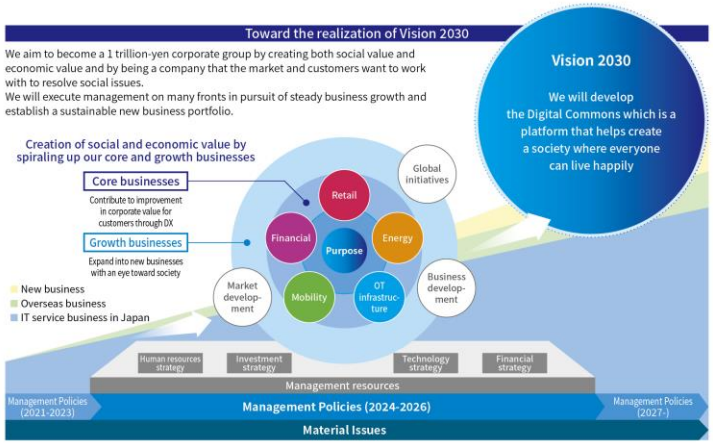
Initiatives to Integrate Environmental Contribution with Financial Planning

In response to the expansion of customer investment in DX driven by technological advances such as AI and IoT, and to strengthen efforts to address social issues such as GX, the Group is making proactive investments in the priority areas defined in our Management Policies (2024-2026).

By acquiring new capabilities to support customers' exploration of new business models, DX initiatives, and GX-related activities targeting social challenges, we seek to further enhance both customer value and social value.

Among our priority areas, demand has been increasing in recent years for low-carbon services within the energy sector, one of the fields the Group focuses on. We expect our solutions and services to capture this demand, leading to growth in both the number of orders and the average order size. Assuming a 10% increase in total revenue for the energy business—equivalent to 1.93 billion yen, based on the fiscal 2024 total revenue of 19.3 billion yen—we estimate this as the financial impact.

As a member of RE100, we are systematically adopting renewable energy with the goal of achieving 100% renewable electricity procurement by fiscal 2050.



Financial Impact Amount	Description
Energy and other business areas	Based on the expected increase in the number and scale of orders for the Group's solutions and services, the financial impact is estimated as an amount equivalent to 10% of revenue from the relevant businesses.

Indicator	Description
Renewable energy procurement rate	Target: 50% or more by FY2030, and 100% by FY2050 • Budget allocation and internal approval for renewable energy procurement costs • Consideration of relocation to energy-efficient buildings and offices

In line with the Group's Long-Term Environmental Vision 2050 and its goal of helping to build a world of net-zero emissions, we are working to reduce GHG emissions across the entire value chain.

Collaborative Reduction Initiatives

For Scope 3 emissions reduction, we have established specific targets for categories with high emission ratios. For Category 1 (Purchased goods and services), our goal is to ensure suppliers who account for 40% of the total procured value of purchased goods and services set targets equivalent to SBT by fiscal 2027. In addition, for Category 11 (Use of sold products/services), we have set a target to reduce GHG emissions from the use phase of sold products by 25% by fiscal 2030, compared with fiscal 2021 levels.

Item	Description
SBT-equivalent target setting by suppliers	Target: Ensure suppliers who account for 40% of the total procured value of purchased goods and services (Category 1) set targets equivalent to SBT by FY2027
GHG emissions reduction from the use of sold products/services (Category 11, Scope 3)	Target: Reduce GHG emissions by 25% during the use phase of products already sold by FY2030 compared to FY2021

We pursue initiatives with a focus on our identified material issues, while also continuously conducting impact assessments by employing climate-related scenario analyses for both our core and growth businesses.

Evaluation and Analysis of Climate-Related Issues

The Group believes that addressing climate change is an important management issue that affects corporate value in many ways. Recognizing that it is important to have a strategy and the flexibility to respond to changes in uncertain circumstances, we are working to mitigate climate-related risks and expand opportunities. Since 2021, we have not only promoted material issue-centered initiatives but also continued to conduct impact evaluations, which are part of the climate-related scenario analysis, based on company-wide projects as part of Environmental Contribution Committee activities.

In the analysis results up to now, despite the increase in business expenditures related to activities such as the development and innovation of technology to transition to decarbonization and introduction of resources to create new businesses, the impact of greater opportunities through the provision of technology and services that meet needs to solve climate-related issues exceeds the impact of the risk of greater expenses.

We will increase the effectiveness of material issues by appropriately reflecting the results of the impact assessment into the Group's various strategies and risk management. Furthermore, we are accelerating initiatives to develop and provide new products and services that contribute to the solution of climate-related issues, such as carbon neutrality and the circular economy.

Category	Quantification Conditions
Time frames	The following time frames were adopted Short term: 1-3 years Medium term: 4-10 years Long term: Over 10 years
Scope	BIPROGY Inc. and 31 consolidated companies
Climate change scenarios	• 1.5 °C scenario: Global average temperature rise ranging from 1.5 °C to just under 2 °C The IEA Net Zero Emissions by 2050 Scenario (NZE) was used, supplemented by similar scenarios, such as the IEA Sustainable Development Scenario (SDS) for scenarios under 2 °C. • 4 °C scenario: Global average temperature rise ranging from 3 °C to 4 °C IPCC RCP8.5 was used to calculate the 4 °C scenario and IEA Stated Policies Scenario (STEPS) was used for the 3 °C scenario.

Based on the key climate-related opportunities identified, we are accelerating the development and provision of new products and services that help address challenges such as achieving carbon neutrality and building the circular economy.

Key Climate-Related Opportunities for the Group

Category		Focus Area	Opportunity Factors	Key Climate-Related Opportunities	Scenario	Potential Financial Impact	
						Medium Term	Long Term
Market opportunities	Products and services	Energy	Advances in energy efficiency and energy-saving technologies	• Revenue growth through services that optimize energy efficiency and monitor, control, and optimize energy resources	1.5℃	Medium	High
			Introduction of carbon pricing	• Revenue growth through services that support the use of environmental value certificates, carbon accounting, and linkage with decarbonized energy traceability systems	4℃		
		Mobility	Strengthened climate action by corporations	• Revenue growth through solutions for advanced transport planning, operations and facility management, and production optimization	1.5℃	Medium	—
				• Revenue growth through services that visualize environmental contribution	1.5℃		
			Growing consumer interest in climate change	• Revenue growth through services that seamlessly connect vehicles with infrastructure and daily life	1.5℃		
			Changing weather patterns	• Revenue growth through solutions such as remote monitoring and image analysis	4℃		
		Finance	Products and services	• Revenue growth from increased demand for shared system use among financial institutions	1.5℃	High	—
			Potential for business diversification	• Revenue growth driven by the consolidation and restructuring of financial institution branches and the growing importance of non-face-to-face channels	1.5℃		
				• Increased sales through support for sustainable finance and related consulting services	1.5℃		
		Retail	Products and services	• Revenue growth through online–merge–offline (OMO) platform services that meet consumer demand for preferred purchase channels and flexible delivery options	1.5℃	Medium	High
			Changing consumer preferences	• Accelerated shift from physical stores to online platforms and business opportunities expansion in e-commerce website	4℃		
		OT infrastructure	Products and services	• Revenue growth through deployment of condition monitoring systems to address overheating and equipment failures, and through enhancement of temperature control and cooling systems	1.5℃	High	—
				• Revenue growth through diversification of suppliers, multi-path logistics, and accelerated development of real-time supply chain monitoring and adaptive operation systems	1.5℃		
		Growth businesses	Products and services	• Growing demand for disaster prediction and emergency response AI systems	4℃	Medium	High
			Potential for business diversification, etc.	• Revenue growth driven by increased demand for certification and traceability of GHG accounting results, greater adoption of ESG management solutions, and expansion of related IT applications	1.5℃		
			Products and services	• Revenue growth through the expansion of enterprise resource planning products with add-on functions for monitoring CO_2 emissions and electricity consumption	1.5℃		

Potential financial impact on operating profit. “High”: 1 billion yen or more; “Medium”: 100 million yen or more; “Low”: less than 100 million yen; —: Amount to be determined Medium Term: Until 2030; Long Term; Until 2050

Major climate-related risks identified through our TCFD-aligned climate scenario analysis are incorporated into and managed through our group-wide risk management framework.

Major Climate-Related Risks for the Group

Risk Category		Potential Financial Impact	Main Factors	Estimated Financial Impact				Risk Reduction Measures and Key Initiatives
				Medium Term (Until 2030)		Long Term (Until 2050)		
				1.5℃	4℃	1.5℃	4℃	
Transition risks	Policy and legal	Cost increases (direct or indirect costs)	Increase in direct operating costs on GHG emissions associated with future increases in carbon tax rates	Medium	Low	Low	Low	■ Low-carbon business activities • Reducing GHG emissions across value chain • Promoting the shift to renewable energy and diversification of procurement means • Promoting value chain engagement
			Increase in operating costs at the company level due to energy policy-driven changes in the power source mix and fluctuations in electricity and fuel prices	Low	Low	Low	Low	
			Increase in procurement costs due to increased procurement of renewable energy	Low	Low	Low	Low	
			Increase in capital investment costs due to the shift to EVs	Low	Low	Low	Low	
	Technology	Decline in technological capabilities and service development capabilities due to delayed response to advancing low-carbon technology	Decline in technological capabilities and service development capabilities due to delayed response to advances in low-carbon technology	Low	Low	Low	Low	■ Technology development contributing to the shift to a low-carbon society • Investment in development • Developing human resources • Participating in demonstration projects
	Market	Reduction in profitability due to decline in sales caused by drop in demand for products and services	Decline in competitiveness when changes in market environment accompanying changes in customer behavior cannot be appropriately reflected in business strategy	Medium	Low	Medium	Low	■ Provision of services that meet customers' changing needs • Offering environmentally friendly services that contribute to climate change mitigation and adaptation • Promoting business alliances that enhance environmental contribution • Promoting customer engagement
	Reputation	Increase in cost of capital due to reduced access to capital	Decline in corporate evaluation due to delayed response to changes in the capital market environment and requests for information disclosure associated with the shift to a low-carbon economy	Medium	Low	Medium	Low	■ Disclosure of reliable climate-related information • Commit to TCFD and TNFD recommendations • Enhancing quality and quantity of disclosed information • Promoting constructive dialogue with investors

Note : Estimated annual financial impact. "High": 1 billion yen or more; "Medium": 100 million yen or more; "Low": less than 100 million yen.

Major climate-related risks identified through our TCFD-aligned climate scenario analysis are incorporated into and managed through our group-wide risk management framework.

Major Climate-Related Risks for the Group

Risk Category		Potential Financial Impact	Main Factors	Estimated Financial Impact				Risk Reduction Measures and Key Initiatives
				Medium Term (Until 2030)		Long Term (Until 2050)		
				1.5℃	4℃	1.5℃	4℃	
Physical risks	Acute	Reduction in revenue and cost increases (direct or indirect costs) due to decreased production capacity	Damage to facilities at the Group's sites due to increasingly severe wind and flood damage, loss of sales due to suspension of operations, and the burden of recovery costs	Low	Low	Low	Low	■ Promotion of measures contributing to increased business resilience • Strengthening, and continually reviewing and improving, business continuity plan (BCP) • Facilitating, and continually reviewing and improving, diverse working styles, including telework
			The burden of adjusting operations and additional costs due to damage to offshore development sites due to increasingly severe wind and flood damage	Medium	Medium	Medium	Medium	
			The burden of additional costs for adjusting operations and procuring replacement personnel due to disruption of supply chains	Medium	Medium	Medium	Medium	
	Chronic	Reduction in revenue and cost increases (direct or indirect costs) due to decreased production capacity	Increased employee illnesses due to climate change	Medium	Medium	Medium	Medium	■ Promotion of measures contributing to climate change adaptation • Promoting health and productivity management • Facilitating, and continually reviewing and improving, diverse working styles, including telework • Further promoting green procurement, including selection of data centers
			Increased air conditioning costs due to higher demand for cooling due to rising temperatures	Low	Low	Low	Low	

Note : Estimated annual financial impact. "High": 1 billion yen or more; "Medium": 100 million yen or more; "Low": less than 100 million yen.

For our direct operations and supply chain, we have assessed our nature-related dependencies and impacts, as well as the risks and opportunities.

TNFD

Assessment of Nature-Related Issues

While identifying our nature-related dependencies and impacts at the business level, we have also organized the Group's nature-related risks and opportunities as we see them at the time of publishing this report. The scope covers the direct operations of the Group's six main business areas and its upstream supply chain.

We assess nature-related issues across all our businesses.

Note: The percentages in parentheses ( ) indicate the revenue share of each business for the fiscal year ended March 31, 2025.

Business Area	Description
System services (32%)	・ICT strategy consulting services ・Software development contracts ・Technical support services
Support services (14%)	・Software and hardware maintenance services ・Software and hardware implementation support services
Outsourcing (22%)	・Information system operation contracts ・Service-based and fee-based services through cloud applications, etc.
Other services (3%)	・Communication line services ・Electrical equipment construction, etc.
Software sales (11%)	・Sales of internally developed solutions ・Software sales
Hardware sales (17%)	・Hardware sales

Based on a review of the nature-related dependencies and impacts of all our businesses, we have confirmed that our GHG emissions and water usage have significant impacts on the environment.

To understand the dependencies and impacts of the IT sector, which is highly relevant to the Group, we used UNEP-NCFA's ENCORE, one of the nature-related analysis tools recommended by the TNFD framework. The results are presented in a heatmap.

The analysis confirmed that in direct operations, several factors may have a significant impact, such as GHG emissions from overall business activities and water usage in data centers, which are operated under the outsourcing business. Additionally, in the outsourcing business, since the operations are primarily office-based—similar to the direct business processes of other sectors—shared dependencies and impacts with other sectors were found.

Based on these findings, we determined that by identifying dependencies and impacts in the outsourcing business, we can gain a comprehensive understanding of the dependencies and impacts across the Group as a whole—including office-based operations and data center management businesses. The identified and evaluated nature-related dependencies and impacts are presented on the following page.

Heatmap of Dependence on and Impact on Nature

Business area	Main value chain categories	Subcategories of the value chain	Impact on nature											
			Changes in land, freshwater and seawater use			Climate change	Resource use/restoration		Pollution/pollution removal					Invasive alien species
			Use of terrestrial ecosystems	Use of freshwater ecosystems	Use of marine ecosystems	GHG emissions	Water use	Other resource use	Waste	Non-GHG air pollution	Soil pollution	Water pollution	Ecosystem disruption	Introduction of alien species
System services	Upstream	Consignment	-	-	-	-	-	-	M	-	-	-	-	-
	Direct	-	-	-	-	-	-	-	M	-	-	-	-	-
Support services	Upstream	Procurement	-	-	-	H	VH	-	M	M	H	H	M	-
	Upstream	Transportation of goods	H	VH	VH	VH	H	-	H	H	H	H	H	VH
	Direct	-	-	-	-	-	-	-	M	-	-	-	-	-
Outsourcing	Upstream	Procurement	VH	-	-	VH	H	-	M	H	H	H	H	M
	Direct	-	H	-	-	H	H	-	M	H	H	H	H	M
Other services	Upstream	Procurement	-	-	-	H	VH	-	M	M	H	H	M	-
	Upstream	Transportation of goods	H	VH	VH	VH	H	-	H	H	H	H	H	VH
	Direct	-	-	-	-	-	L	-	L	L	L	L	-	-
Software sales	Upstream	Procurement	-	-	-	-	-	-	M	-	-	-	-	-
	Direct	-	-	-	L	L	-	-	-	L	L	L	L	L
Hardware sales	Upstream	Procurement	-	-	-	H	VH	-	M	M	H	H	M	-
	Upstream	Transportation of goods	H	VH	VH	VH	H	-	H	H	H	H	H	VH
	Direct	-	-	-	M	VH	-	-	-	H	L	L	H	H

VH (Very High): Extremely vulnerable to the destruction of ecosystem services / Critical to business operations and irreplaceable
H (High): Vulnerable to the destruction of ecosystem services / Can be carried out despite some disruption to ecosystem services, but risk is high due to a high degree of dependence
M (Medium): Business continuity is possible even if ecosystem services are partially destroyed
L (Low to Very Low): Business continuity is possible even if ecosystem services are destroyed

Our key dependencies were identified as “climate regulation and flood mitigation” and “freshwater supply (upstream)”, while the key impacts were “GHG emissions,” “land and ocean use change,” “pollution,” and “water use (upstream).” TNFD

Major Nature-Related Dependencies and Impacts of the Group

To understand the Group’s dependencies and impacts on nature, we focused on one of our core businesses—the outsourcing business—and identified the dependencies and impacts relevant to the Group’s overall activities. The key dependencies and impacts are summarized in the table on the right.

The Group’s main dependencies include reliance on the ecosystem services of climate regulation and flood mitigation, particularly from the perspective of ensuring facility safety against flooding. Our main impacts on nature include indirect contributions to climate change through GHG emissions associated with electricity use, land and ocean use change linked to renewable energy procurement, and pollution resulting from the disposal of waste such as electronic equipment.

In data center operations, a dependency was identified on freshwater supply services through the use of cooling water at upstream contracted data centers, along with an associated impact from water use. Disturbance of ecosystems due to noise was also recognized as a significant impact.

Business Processes				Key Dependencies / Impacts		Determination Reasons
Data center operations	Operations	Use of cooling water by data centers	Upstream	Dependency	Freshwater supply (water use for cooling)	Directly required for business operations, representing a key dependency
			Upstream	Impacts	Resource use (water)	Significant water use at upstream data centers is a key social issue
		Electricity use	Upstream / direct-operations	Impacts	Land and ocean use change	Indirect land-use changes associated with renewable energy procurement are an important social issue
			Upstream / direct-operations	Impacts	Climate change (GHG emissions)	Increased electricity demand in the ICT sector and related GHG emissions are key issues
		Other	Upstream / direct-operations	Dependency	Climate regulation and flood mitigation (facility safety)	Ensuring facility safety is essential for business continuity, making this a key dependency
			Upstream / direct-operations	Impacts	Pollution (ecosystem disturbance)	Noise impacts from data centers on ecosystems represent a social issue
	Waste		Upstream / direct-operations	Impacts	Pollution (solid waste)	Pollution from electronic waste such as computer hardware is an internationally recognized problem
Office-work-related businesses	Operation / service provision	Electricity use	Upstream / direct-operations	Impacts	Land and ocean use change	Issues shared with data center operations, and the reasons are the same as those above
			Upstream / direct-operations	Impacts	Climate change (GHG emissions)	
		Other	Upstream / direct-operations	Dependency	Climate regulation and flood mitigation (facility safety)	
	Waste		Upstream / direct-operations	Impacts	Pollution (solid waste)	

Priority locations were identified by assessing our domestic and overseas business sites as well as contracted data centers, and it was confirmed that a relatively large number of sites are in areas at risk of flooding.

TNFD

Priority Location Identification

We identified ecosystem types (biomes) and assessed priority locations from a nature-related perspective, focusing on the 115 business locations of the Group worldwide and five outsourced data centers. The assessment covered 100% of these locations.

The results of identifying sites located in or adjacent to ecologically sensitive areas are shown on the right. While we confirmed that a number of sites—both domestic and overseas—require attention with respect to biodiversity importance, ecosystem integrity, and ecosystem service delivery importance, the overall number of such sites is relatively small. In contrast, a large number of sites are located in areas at risk of river flooding.

The results of this analysis have been integrated into our nature-related risk and impact management process and will be used to guide the selection of sites for prioritized environmental impact reduction and ecosystem conservation activities.

Criteria for Ecologically Sensitive Locations	Evaluation Perspectives
Biodiversity importance	• Protected areas • Areas that are recognized as important for biodiversity
	• Importance of species and habitats
Ecosystem integrity	• High ecosystem integrity
	• Areas with declining integrity
Ecosystem service delivery importance	• Areas important for the provision of ecosystem service benefits, including to indigenous peoples and local communities
Water physical risk	• Availability of water
	• Areas at risk of flooding due to river flooding
	• Declining water quality

In the data center business, we are addressing various risks, including wind and water disasters and electronic waste (e-waste), while also working to create opportunities to reduce water usage and GHG emissions.

TNFD

Major Nature-Related Risks and Opportunities of the Group

The major nature-related risks and opportunities of the Group are summarized in the table below. In the data center business, risks include transition risks associated with renewable energy procurement, damage to sites caused by wind and water disasters, ecosystem disturbance from noise generated by data centers, and tighter regulations on the treatment of waste, including electronic waste (e-waste). Major opportunities include providing data centers that contribute to reducing water usage and developing or expanding products and services that help reduce GHG emissions. For each of these items, we linked them to priority locations and identified sites requiring priority action (priority response sites). Measures at these sites will be given priority. Furthermore, risks and opportunities related to suppliers and contracted partners will be addressed through strengthened collaboration with the respective operating company.

Business Processes				Key Dependencies / Impacts	Risk/Opportunity Type		Risk and Opportunity Factors	Number of Priority Response Sites
Data center operations	Operations	Use of cooling water by data centers	Upstream	Freshwater supply (water use for cooling)	Opportunity	Sustainability performance (Sustainable use of natural resources)	While promoting 100% renewable energy, there is an opportunity to reduce water usage by providing air-cooled data centers, thereby contributing to the conservation and replenishment of water resources	0
			Upstream	Resource use (water)				
		Electricity use	Upstream / direct-operations	Land and ocean use change	Risk	Transition risk (Reputation)	Indirect involvement in ecosystem alteration through renewable energy procurement (which may contribute to environmental degradation) and the associated reputational risk	Working with suppliers
			Upstream / direct-operations	Climate change (GHG emissions)	Opportunity	Business performance (Products/services, market)	Development or expansion of products and services that help reduce GHG emissions	0
		Other	Upstream / direct-operations	Climate regulation and flood mitigation (facility safety)	Risk	Physical risk (Acute)	Damage to facilities due to increasingly severe wind and flood damage	5
			Upstream / direct-operations	Pollution (ecosystem disturbance)	Risk	Transition risk (Reputation)	Impact of noise from data centers on nearby ecosystems and local residents, public criticism of this and damage to the Group's brand	2
	Waste		Upstream / direct-operations	Pollution (solid waste)	Risk	Transition risk (Policy and legal)	Stricter regulations on waste disposal, including e-waste, and resulting increases in disposal costs	Working with outsourcing partners

In our office-work-related business, we are addressing various risks such as wind and water disasters and e-waste, while also working to create opportunities to reduce GHG emissions.

TNFD

As with the data center business, the office-work-related business highlights risks and opportunities that require particularly high-priority attention.

The main risks for the office-work-related business, just like for the data center business, include transition risks associated with renewable energy procurement, damage to sites caused by wind and water disasters, and tighter regulations on the treatment of waste, including e-waste. The main opportunities, also shared with the data center business, include the development and expansion of products and services that help reduce GHG emissions.

Going forward, based on these risks and opportunities, we will continue to examine the resilience of the Group's businesses through scenario-based analysis.

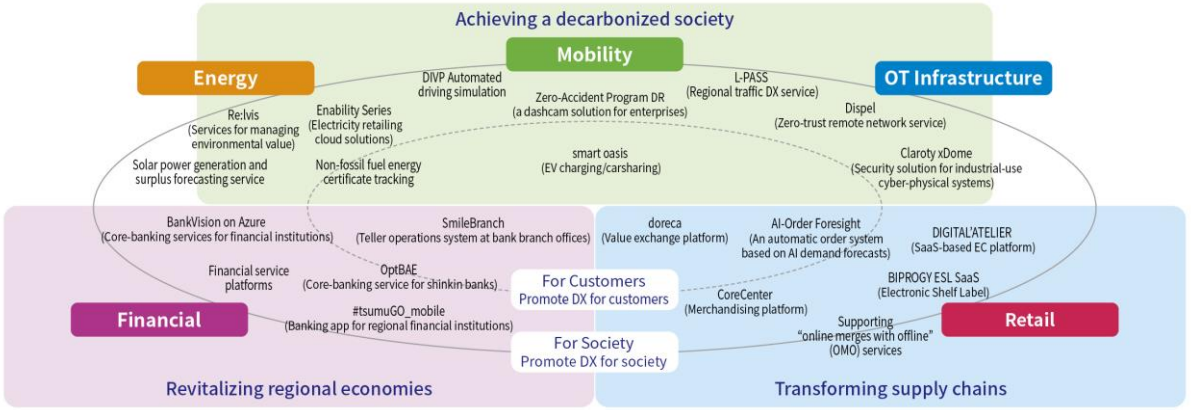
Business Processes				Key Dependencies / Impacts	Risk/Opportunity Type		Risks and Opportunities Factor	Number of Priority Response Sites
Office-work-related businesses	Operation / service provision	Electricity use	Upstream / direct-operations	Land and ocean use change	Risk	Transition risk (Reputation)	Indirect involvement in ecosystem alteration through renewable energy procurement (which may contribute to environmental degradation) and the associated reputational risk	Working with suppliers
			Upstream / direct-operations	Climate change (GHG emissions)	Opportunity	Business performance (Products/services, market)	Development or expansion of products and services that help reduce GHG emissions	0
		Other	Upstream / direct-operations	Climate regulation and flood mitigation (facility safety)	Risk	Physical risk (Acute)	Damage to facilities due to increasingly severe wind and flood damage	15
	Waste		Upstream / direct-operations	Pollution (solid waste)	Risk	Transition risk (Policy and legal)	Stricter regulations on waste disposal, including e-waste, and resulting increases in disposal costs	Working with outsourcing partners

The Group provides a variety of solutions and services, focusing primarily on environmental contribution. Through these efforts, we aim to help resolve environmental issues and build a sustainable world.

Opportunity Initiatives

Environmental Contribution through the Provision of Solutions, Services, etc.

In the Management Policies (2024-2026), the Group aims to expand profit opportunities in order to resolve social issues. By identifying areas where the Group's strengths can be put to use and by focusing our management resources, we will enhance both profitability and value creation that contributes to resolving social issues, including the realization of a decarbonized society, the revitalization of local economies, and supply chain reform. We will also continue promoting the development of new services, business alliances, and participation in public-private demonstration projects aimed at resolving environmental issues.



Through co-creation with customers and partners, we aim to create new businesses conducive to promoting renewable energy through the use of IT. In this way, we are supporting the realization of a decarbonized society, one of today's key social challenges.

Opportunity Initiatives

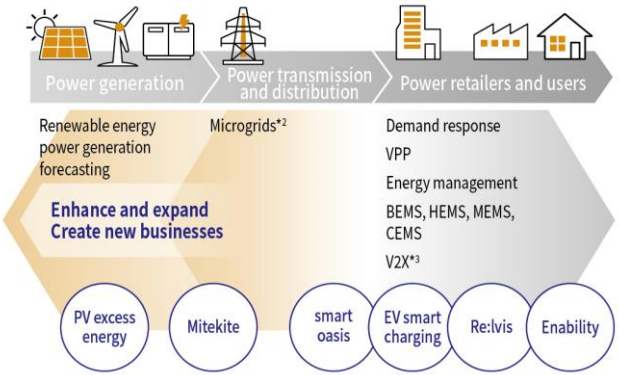
Efforts in Energy Management and Renewable Energy

We will continue to promote the development of new services to address environmental challenges, as well as participate in demonstration projects through business partnerships and public-private collaborations. For example, in the energy sector, we provide Virtual Power Plant (VPP)-related services such as EnabilityCIS and EnabilityEMS, demand and generation forecasting systems, distributed power management systems, and EV-related services. In the environmental value sector, we also offer services such as Re:lvis, which streamlines the procurement and management of non-fossil certificates.

In addition to expanding the functions of these services and related offerings, we aim to differentiate ourselves and create new businesses by combining the service solutions we have provided to date. By delivering services to stakeholders across the energy-related value chain, the Group strives to help achieve a decarbonized society, one of the key social challenges we face.

Focus areas: Energy

Our Vision for 2030
Create new businesses conducive to promoting renewable energy through the use of IT, with an eye toward realizing a decarbonized society as one of the social issues, in cooperation with our customers and partners



*2 Microgrid: stand-alone or isolated small-scale electrical grid designed to generate and manage power for facilities or in local areas

*3 V2X (Vehicle to Everything): A technology that uses communication systems to connect and coordinate automobiles with various objects and devices

	Strategies	FY2024 progress
1	Deepen the value proposition for customers	• A major power company decided on the use of services such as "Enability" series, electricity retailing cloud solution. An implementation project started.
2	Expand business in relation to carbon neutrality	• Microgrid businesses started according to the plan, as exemplified by a launch of services of forecasting solar power generation amount and surplus power amount.
3	Grow through entering new businesses	• Taking part in renewable energy aggregation business is in the works through an effective use of our knowledge and expertise as well as capabilities.

Through the fusion of mobility and digital technologies, we aim to provide new value that facilitates DX for both customers and society.

Opportunity Initiatives

Efforts in the Mobility Domain

By leveraging the potential of mobility and digital technologies, the Group aims to help address social challenges arising from environmental issues, traffic accidents, and labor shortages due to population decline. For many years, we have supported various business improvements and efficiency initiatives as a DX partner for automotive, aviation, and railway businesses. Building on the operational knowledge for manufacturing gained through these experiences, our technical capabilities in CG and virtual technologies, and our strengths in mission-critical systems such as passenger systems and development implementation, we aim to expand and enhance customer DX efforts to deliver new value. From the perspective of DX for the benefit of society, we recognize that the mobility business is evolving from a basic function for transporting people and goods into a platform that creates broader societal value, and we aim to deliver new value through this transformation.

Focus areas: Mobility

Our Vision for 2030
Digitally transform mobility with digital technologies. Enable new value propositions conducive to customer DX and social DX through digitally transforming mobility with the digital technologies such as digital twins linking real world and digital space

	Strategies	FY2024 progress
1	Enable V-Drive Technologies Inc. to grow business and use cross-cuttingly its technologies	• Field trials about driverless vehicles in cooperation with local autonomous bodies are under way with a government-industry-academic collaboration about safety evaluation methods in progress.
2	Creation of businesses outside the transportation sector in the airline/railway industry	• Efforts to help a railway operator take part in a payment business are in progress. • Efforts to enable DX in the area of railway maintenance through the use of AI are in progress. Aim to re-use the efforts and create value for airline companies.
3	Initiatives for addressing labor shortages in the areas of logistics and transportation	• Quantum technologies and AI research are in progress with Dai Nippon Printing Co., Ltd. to optimize logistics and distribution business. P.30 • Warehousing DX businesses gather speed through investing in Dialog.inc, a provider of logistics and distribution solutions.

By utilizing domestically sourced timber, we aim to address environmental and regional challenges and contribute to the realization of a sustainable world.

Opportunity Initiatives

Efforts in Forest Resource Management and Utilization

Under the KIINNOX brand, the Group is advancing a project to address social challenges through business activities encouraging the use and distribution of domestically sourced timber in Japan. These projects aim to conserve forests, protect local ecosystems and the global environment, revitalize regional economies, and promote people's health and well-being.

KIINNOX is a coined word that combines "ki," the Japanese word for "wood," "inno" from "innovation," and "x," which represents multiplication and the possibility for the unknown.

Through innovative initiatives carried out in collaboration with many stakeholders involved in the utilization and distribution of Japanese timber, the KIINNOX project seeks to make wood a more familiar and appealing presence in everyday life, and to help create a richer, more fulfilling future.

Related webpage:
https://www.biprogy.com/solution/theme/carbon_neutral_kiinnox.html
(Available in Japanese only)

Under our Sustainable Procurement Guidelines, we are working to address issues through supplier engagement.

Risk-Related Initiatives

Supply Chain Risk Assessment

In April 2021, we formulated the BIPROGY Group Sustainable Procurement Guidelines in response to recent growing social demand for procurement that is conscious of human rights and the environment. We also launched ESG risk assessments and promoted the broader use of our guidelines by suppliers. Our first assessment in fiscal 2021 covered 98 major subcontracting companies and suppliers, and we surveyed the status of their ESG initiatives and conducted a risk assessment. In fiscal 2022, we requested improvements at 49 companies that were judged to need improvement.

Going forward, we believe that further efforts are needed to increase both the expansion of companies targeted in the survey and to improve our effectiveness in resolving issues, and will move forward by setting the new KPIs and targets listed on the right.

Material Issue	KPIs and Targets
Sustainably procure and provide safe, secure products and services throughout the entire value chain	KPI: Percentage of BIPROGY Group suppliers having taken the ESG risk survey Target: 100% (FY2026) Result: 70.3% (FY2024)
	KPI: Percentage of suppliers that currently adhere to or have launched improvements to material ESG risk items that the BIPROGY Group has set for suppliers Target: 100% (FY2030) Result: FY2024 was not a target year for performance measurement.

Striving for a sustainable society, we are working to reduce GHG emissions and promote environmental conservation across our entire supply chain.

Risk-Related Initiatives

Supply Chain-Wide GHG Emission Reduction Efforts

To “build a world of net-zero emissions,” which is stated in the Long-Term Environmental Vision 2050, we consider it important to reduce GHG emissions throughout the supply chain. Therefore, in 2022, we established a material issue KPI: “Percentage of suppliers accounting for 40% of our total procurement of purchased goods and services (Category 1, Scope 3) that have set targets equivalent to Science Based Targets by fiscal 2027.” We will continue to strengthen initiatives to reduce GHG emissions in procurement.

Advancement of Green Procurement

When it comes to procurement decisions, the Group takes a comprehensive perspective that includes environmental and social considerations in business activities and contribution to sustainable development in addition to considerations of quality, cost, delivery, and services. Moreover, the Group procures products and services with low environmental impact from suppliers who take environmental measures in accordance with the BIPROGY Group Green Procurement Guidelines.

BIPROGY Group Green Procurement Guidelines
https://www.biprogy.com/com/about_purchase_and_procurement.html
(Available in Japanese only)

In preparation for increasingly severe wind and flood disasters caused by climate change, we are developing and maintaining a business continuity plan (BCP) that will ensure the stable delivery of our information systems.

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Risk-Related Initiatives

Creating a BCP to Prepare for Increasingly Severe Wind and Flood Disasters

Information systems have become an important lifeline essential in maintaining the functioning of society. As an ICT service provider that supports the stable operation of customers' information systems, the Group is strongly committed to its business continuity efforts. In fiscal 2006, we established the Business Continuity Project. The project team is made up 110 people from Group companies, including branches, with the three executives in charge of business continuity taking the lead. In normal times, BCP/BCM are pursued and the plans the Group has established are revised and enhanced, while training is regularly carried out, including general drills for disasters, tabletop exercises, safety confirmation drills, and training for fire and disaster prevention. In the event of a disaster, the project promptly starts to function as a disaster countermeasures taskforce.

BIPROGY Group BCP

Just like electricity, water, and gas, information systems have become an important lifeline essential in maintaining the functioning of society. As an ICT service provider that supports the stable operation of customers' information systems, the Group is strongly committed to its business continuity efforts. In fiscal 2006, we established the Business Continuity Project. The project team is made up 110 people from Group companies, including branches, with the three executives in charge of business continuity taking the lead. In normal times, BCP/BCM are pursued and the plans the Group has established are revised and enhanced, while training is regularly carried out, including general drills for disasters, tabletop exercises, safety confirmation drills, and training for fire and disaster prevention. In the event of a disaster, the project promptly starts to function as a disaster countermeasures taskforce.

In April 2022, the Group reviewed the risks relevant to its business continuity in line with changes in the external environment. It identified the following four risks:

- Risk of major natural disasters (e.g., inland earthquake around Tokyo, massive wind and flood damage, ash fall due to eruption of Mt. Fuji)
- Risk of loss of human and business resources (e.g., in a fire at the headquarters building)
- Risk of the BIPROGY Group's IT infrastructure being unavailable for more than a certain period of time (including outages due to cyberattacks)
- Risk of pandemic of a new infectious disease (e.g., novel influenza, novel coronavirus)

In light of our experiences with the Great East Japan Earthquake and the government's revised estimates of the damage that would be caused by an inland earthquake around Tokyo or a massive earthquake in the Nankai Trough, the Group decided to develop an even more dependable BCP. Accordingly, we developed the BCP/BCM Resilience Reinforcement Strategy* in fiscal 2018 and have continued to carry out systematic training and drills to improve the effectiveness of our BCP/BCM and to assess and improve our current BCP/BCM based on external certification standards. We have incorporated an approach based on looking at the potential impact of a disaster and are considering addressing a broader range of risks to business continuity. In addition, since the current workplace culture emphasizes hybrid work styles that involve both working in the office and at home, we have revised our BCP for a large-scale earthquake accordingly, and we are prepared to operate a headquarters disaster countermeasures task force remotely if needed. We will continue to improve the effectiveness of business continuity planning in a telework environment.

*This is the Group's medium-term strategy aimed at raising its risk management capacity and resilience as a business ecosystem creator. "Resilience" in this strategy refers to the ability to weather disasters and crises that impede business continuity.

Recognizing the importance of biodiversity, we work collaboratively with the international community to help realize a sustainable world. We also strive to use resources responsibly and efficiently.

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Risk-Related Initiatives

Participating in the Keidanren Biodiversity Declaration Initiative

Given concerns about the deterioration of natural ecosystems and biodiversity, the BIPROGY Group has endorsed the Keidanren Biodiversity Declaration and Action Guidelines (revised version) issued by the Keidanren Initiative for Biodiversity Conservation. The Group is very aware that biodiversity is an important foundation for a sustainable world, and as a member of the international community, we embrace our role and responsibility in this area and look to collaborate and cooperate to protect biodiversity. We aim to help build a sustainable world by supporting the harmonious coexistence of human societies and the natural world.

Effective Use of Resources

The Group has set targets and is working to reduce its environmental impact in order to ensure it uses resources and energy appropriately and efficiently. Starting in fiscal 2022, we are also expanding the scope of waste volume calculation while promoting initiatives focused on the following points.

- Reductions in paper use
- Thorough sorting of waste to promote recycling

In addition to these efforts, we are considering measures to reduce the amount of e-waste generated, including servers and other electronic devices, and to improve recycling rates, looking to help build a circular economy.

Chapter 3. Risk and Impact Management

Risk Management

The Risk Management Committee evaluates the relative significance of risks faced by the Group and identifies those that require focused management.

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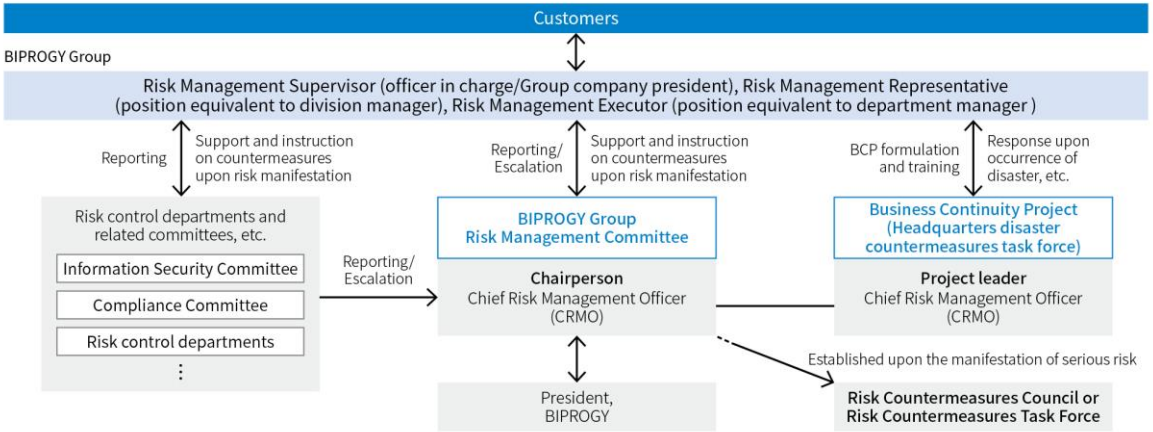
Management Structure and Process for Climate and Nature-Related Issues

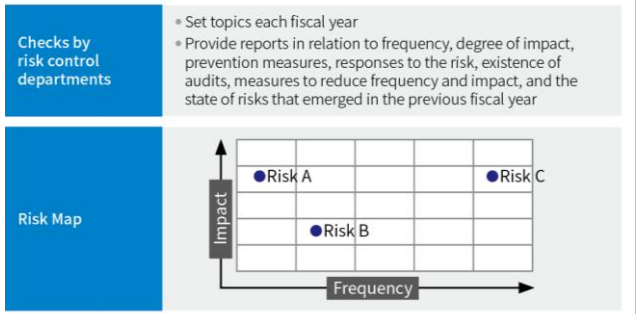
The BIPROGY Group has identified certain climate-related risks as material issues and is managing them by integrating them into its risk management system. The Risk Management Committee, as a controlling body, has created a common risk classification system for the Group, so that risks to be managed are shared throughout the Group and managed in an integrated

Currently, risk management items are classified into approximately 130 categories, including climate-related risks. For each item, the relevant department, committee, or other responsible party formulates administrative rules, and preventive measures. The Risk Management Committee directs an annual review of the risk management items and sets specific themes to identify new risks.

The committee uses a risk map, formulated based on level of impact and frequency, to categorize the size of the impact of each climate-related risk, identifying risks that require focused attention. In identifying and monitoring risks, risk management policies and risk control items are subject to continual review. We are also in the process of integrating nature-related risks into the Group risk management system.

Risk management structure





We identify and assess nature-related dependencies, impacts, risks, and opportunities across our value chain and prioritize the key issues.

TNFD

Process for Identifying and Assessing Nature-Related Dependencies, Impacts, Risks, and Opportunities

The Group identifies and evaluates nature-related dependencies, impacts, risks, and opportunities across the value chain.

For dependencies and impacts on nature, we first conducted an overview targeting our major businesses and stages of the value chain, referencing UNEP-NCFA's ENCORE tool. Based on this overview, we focused on the outsourcing business, which has a high dependence/impact on nature and shares many commonalities with our other businesses, examining dependencies and impacts in both upstream value chain stages and directly operated sites. We then identified specific nature-related dependencies and impacts within each business. Those recognized as being significant for the Group, as well as issues that are highly visible or material in the ICT industry from an external environmental perspective, are adopted by the Group as key dependencies and impacts.

For nature-related risks and opportunities, we identify relevant items based on the assessment of the dependencies and impacts, as well as policy trends and societal developments. Each risk is then prioritized according to its potential impact and likelihood, while each opportunity is ranked according to its feasibility. The definitions used to evaluate each variable in the prioritization process are shown in the table on the right.

1. Definitions for Assessing Magnitude of Impact

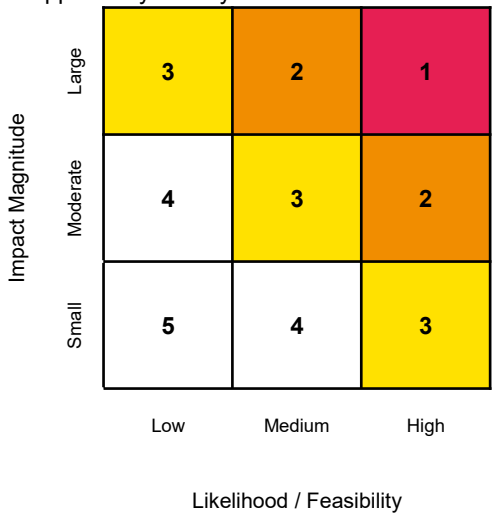
Large	Risks	• Impact on business continuity: Significant impact on business operations • Impact on orders/transactions: Substantially undermines corporate trust (e.g., lawsuits, loss of a significant number of investors, customers, or business partners) • Occurrence of extraordinary losses: Payment of fines or damages • Impact on revenue/costs: Economic impact – large
	Opportunities	• Impact on orders/transactions: Leads to increased revenue • Impact on ESG rating score: Initiatives linked to business are recognized, potentially improving ESG rating scores • Impact on resilience: Contributes to improved organizational resilience • Impact on revenue/costs: Economic impact – large
Moderate	Risks	• Impact on business continuity: Moderate impact on business operation • Impact on orders/transactions: Moderately undermines corporate trust (e.g., significant critical media coverage, loss of a small number of investors, customers, or business partners) • Impact on revenue/costs: Economic impact – moderate
	Opportunities	• Impact on reputation: Initiatives are recognized, improving corporate image • Impact on revenue/costs: Economic impact – moderate
Small	Risks	• Impact on business continuity: Minor impact on business operations • Impact on orders/transactions: Slightly undermines perception among some stakeholders (e.g., temporary critical media coverage) • Impact on revenue/costs: Economic impact – small
	Opportunities	• Impact on reputation: Improves corporate image among a limited set of stakeholders • Impact on revenue/costs: Economic impact – small

Using the magnitude of impact and a two-dimensional matrix based on likelihood or feasibility, each risk and opportunity is assigned one of five priority levels.

2. Definitions of Likelihood / Feasibility

High	Risks	• Already materialized / recognized as an urgent issue (facts reported in official government reports) • Regulations or directives applicable at the site location already exist
	Opportunities	• Subsidy programs are available in municipalities across Japan
Medium	Risks	• Concerns about risk materialization exist or are increasing; signs of materialization are observed; or the risk requires monitoring (using outlooks reported in official government reports) • Policies already exist in international frameworks or in relevant countries/jurisdictions
	Opportunities	• Market expansion is anticipated (outlook reported in official government reports) • Some municipalities provide subsidy programs • Policies already exist in international frameworks or in relevant countries/jurisdictions
Low	Risks	• Current concern of materialization is low
	Opportunities	• Current feasibility is low

3. Risk/Opportunity Priority Level Definitions



Chapter 4. Indicators and Targets

Indicators and Targets

To achieve our materiality-related goals, we have set the reduction of GHG emissions throughout the value chain as a KPI and are promoting initiatives to achieve this goal.

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Climate-Related Targets

The Group is steadily working to achieve the targets it has set, such as those related to GHG emission reductions among the Group's material issues in 2021. Most of the GHG emissions by the Group, whose core businesses are digital and ICT services, are from the use of electricity. Therefore, we joined RE100 and are moving forward with switching to renewable energy for electricity we purchase. As of the end of fiscal 2024, the percentage of energy purchased that is renewable had risen to 33.1%. We are also promoting energy conservation measures based on the efficient use of offices and equipment.

Because of these initiatives, we reduced the Group's fiscal 2024 Scope 1 + Scope 2 (market-based) GHG emissions 42.1% compared to fiscal 2019.

Indicator	Climate-Related Targets and Progress Made	SBT-Validated Target
GHG emissions (Scope 1 + Scope 2) (Market-based)	Target: Reduce GHG emissions by 50% or more by FY2030 compared to FY2019 Result: 42.1% reduction (FY2024)	
	Target: Reduce GHG emissions by 45% by FY2030 compared to FY2021 (aligned with Paris Agreement 1.5 °C target)	✓
GHG emissions across the value chain (Scope 3)	Target: Ensure suppliers who account for 40% of the total procured value of purchased goods and services (Category 1) set targets equivalent to SBT by FY2027 Result: 23.1% (FY2024)	✓
	Target: Reduce GHG emissions by 25% during the use phase of products already sold by FY2030 compared to FY2021	✓
Renewable energy procurement rate	Targets: 50% or more (FY2030), 100% (FY2050) Result: 33.1% (FY2024)	
Scenario analysis impact assessment and risk response rate (100%)	Identify business opportunities and risks and continue to manage identified risks through Group risk management systems Result: 100% (FY2024)	
Zero emission achievement rate	Target: 100% or more (annually until FY2030) Result: 279.9% (FY2024) Note: The zero emission achievement rate is sales of environmentally friendly products and services multiplied by the GHG reduction contribution coefficient and divided by the total Scope 1 and 2 emissions of the BIPROGY Group.	

We will continue working to reduce greenhouse gas emissions throughout our supply chain in order to achieve our SBT-validated targets.

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Obtaining SBT Validation

The Group has set GHG emission reduction targets to be achieved by 2030. These targets have been recognized as science-based targets aligned with the 1.5 °C target of the Paris Agreement. We obtained SBT validation in July 2024. To achieve these targets, we will continue our efforts to reduce GHG emissions across the entire supply chain.

BIPROGY Group Obtains Science Based Target (SBT) Validation That Its Greenhouse Gas Emission Reduction Targets Are Aligned with the Paris Agreement 1.5°C Target

The BIPROGY Group has set greenhouse gas (GHG) emission reduction targets to be achieved by 2030. Now, the Group has obtained SBT validation that its targets are science-based and in alignment with the 1.5 °C target of the Paris Agreement.

SCIENCE BASED TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

The BIPROGY Group's newly recognized greenhouse gas emission reduction targets (SBT-validated targets) are as follows:

Scope 1 and Scope 2	Reduce GHG emissions by 45% by FY2030 compared to FY2021 (aligned with Paris Agreement 1.5 °C target)
Scope 3	Ensure suppliers who account for 40% of the total procured value of purchased goods and services set targets equivalent to SBT by FY2027
	Reduce GHG emissions by 25% during the use phase of products already sold by FY2030 compared to FY2021

Nature-Related Indicators

In fiscal 2025, the BIPROGY Group adopted two nature-related targets: a target for conserving natural capital and another for sustainable water use. We will continue to advance initiatives aimed at achieving these targets.

Regarding water use, which was identified as an important impact driver through our assessment of nature-related dependencies and impacts, the Group conducted water risk assessments for each watershed where our sites are located. As a result, we determined that the risk is currently limited, and the necessity of setting a specific target is low. We will continue our efforts to monitor and manage water-related risks.

Item	Description
Target for conserving natural capital	Target: For BIPROGY Group-owned sites, assess current conditions regarding habitat surveys and potential contributions to forest conservation. (Target year: FY2026)
Target for sustainable water use	Target: Ensure that the volume of water withdrawn per unit of BIPROGY Group revenue does not exceed the level in the baseline year, FY2024 (measured annually through FY2030)

GHG Emissions (Scope 1 and Scope 2)

The Group has been disclosing its Scope 1 and 2 emissions in accordance with the GHG Protocol since fiscal 2021.

		Unit	FY2020	FY2021	FY2022	FY2023	FY2024
Direct GHG emissions (Scope 1)		$t\text{-}CO_2e$	218	1,470	1,406	1,257	1,326
Indirect GHG emissions (Scope 2)	Location-based	$t\text{-}CO_2e$		13,442	12,370	11,571	9,793
	Market-based	$t\text{-}CO_2e$	13,475	11,593	9,347	7,723	6,988
GHG emissions (Scope 1 + Scope 2)	Location-based	$t\text{-}CO_2e$					
	Market-based	$t\text{-}CO_2e$	13,692	13,064	10,753	8,980	8,313
	Reduction rate (vs FY2019)	%	4.6	9.0	25.1	37.5	42.1

Notes:
1. Starting in fiscal 2021, calculations are based on the GHG Protocol.
2. Location-based and market-based Scope 2 emissions are defined in the GHG Protocol Scope 2 Guidance 2015.

Scope of calculation
FY2020: BIPROGY Inc. and 12 other companies and 2 organizations (covering main sites in Japan, and 85% of total BIPROGY Group personnel)
FY2021: BIPROGY Inc. and 24 consolidated companies excluding its investment business limited partnerships (covering main sites worldwide, and 100% of total BIPROGY Group personnel)
FY2022: BIPROGY Inc. and 25 consolidated companies excluding its investment business limited partnerships (covering main sites worldwide, and 100% of total BIPROGY Group personnel)
FY2023: BIPROGY Inc. and 28 consolidated companies (covering main sites worldwide, and 100% of total BIPROGY Group personnel)
FY2024: BIPROGY Inc. and 31 consolidated companies (covering main sites worldwide, and 100% of total BIPROGY Group personnel)

GHG Emissions (Scope 3)

As with Scope 1 and 2, the Group has been disclosing its Scope 3 emissions in accordance with the GHG Protocol since fiscal 2021.

		Unit	FY2020	FY2021	FY2022	FY2023	FY2024
GHG emissions (Scope 3)		$t\text{-}CO_2e$		632,737	615,597	522,816	653,390
Categories	1. Purchased goods and services	$t\text{-}CO_2e$		251,490	229,242	287,512	320,442
	2. Capital goods	$t\text{-}CO_2e$		20,684	33,493	29,056	29,570
	3. Fuel- and energy-related activities not included in Scope 1 or Scope 2	$t\text{-}CO_2e$		2,276	2,330	2,252	2,082
	4. Upstream transportation and distribution	$t\text{-}CO_2e$		1,785	3,141	5,868	3,096
	5. Waste generated in operations	$t\text{-}CO_2e$		31	31	44	96
	6. Business travel	$t\text{-}CO_2e$		2,570	4,367	4,770	5,190
	7. Employee commuting	$t\text{-}CO_2e$		1,028	1,211	1,450	1,545
	8. Upstream leased assets	$t\text{-}CO_2e$	NA				
	9. Downstream transportation and distribution	$t\text{-}CO_2e$	NA				
	10. Processing of sold products	$t\text{-}CO_2e$	NA				
	11. Use of sold products	$t\text{-}CO_2e$		352,767	341,618	191,766	291,214
	12. End-of-life treatment of sold products	$t\text{-}CO_2e$		105	165	97	156
	13. Downstream leased assets	$t\text{-}CO_2e$	NA				
	14. Franchises	$t\text{-}CO_2e$	NA				
	15. Investments	$t\text{-}CO_2e$	NA				

Note: Category 8 under Scope 3 emissions is included in Scopes 1 and 2, Category 9 is included in Category 4. Categories 13 and 15 are excluded from the calculation due to their small percentage of the total. Categories 10 and 14 are not applicable to the Group's business activities.

Scope of calculation
FY2021: BIPROGY Inc. and 24 consolidated companies excluding its investment business limited partnerships (covering main sites worldwide, and 100% of total BIPROGY Group personnel)
FY2022: BIPROGY Inc. and 25 consolidated companies excluding its investment business limited partnerships (covering main sites worldwide, and 100% of total BIPROGY Group personnel)
FY2023: BIPROGY Inc. and 28 consolidated companies (covering main sites worldwide, and 100% of total BIPROGY Group personnel)
FY2024: BIPROGY Inc. and 31 consolidated companies (covering main sites worldwide, and 100% of total BIPROGY Group personnel)

In response to increasing water risks due to climate change and urbanization, we are promoting the appropriate use of water resources throughout our supply chain.

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Water Resources and Water Use

Water damage and droughts resulting from changing rainfall patterns attributable to climate change, as well as rapid urbanization due to increased populations and economic development, are leading to water resource shortages around the world, and there is growing global concern about these water risks. The Group consumes water directly, mainly in its offices. Based on the BIPROGY Group Environmental Policy and the Environmental Long-term Vision 2050, we strive to ascertain and reduce the amount of water used in our business activities.

Moreover, all suppliers in the Group's supply chain are asked to comply with the BIPROGY Group Sustainability Procurement Guidelines, which includes requirements for the proper use of water resources. Together with our suppliers, we are working on water conservation and the appropriate management and treatment of wastewater before discharge.

In fiscal 2020, we started disclosing information on water usage for certain sites such as the Toyosu Head Office Building in Koto Ward, Tokyo. Since fiscal 2021, we have been sharing this information for the entire BIPROGY Group. Water usage for companies in the IT sector includes cooling of electronic equipment, primarily in company-owned water-cooled data centers, but the Group does not own any water-cooled data centers as its own assets.

		Unit	FY2020	FY2021	FY2022	FY2023	FY2024
Water withdrawal	Total	m^3	-	-	-	-	50,093
	Surface water (rainwater, wetland water, and rivers)	m^3	-	-	0	0	0
	Brackish or sea water	m^3	-	-	0	0	0
	Groundwater	m^3	-	-	30,222	30,305	26,661
	Third-party sources	m^3	-	-	22,785	21,037	23,432
Water discharge	Total	m^3	-	-	-	-	48,847
	Surface water (rainwater, wetland water, and rivers)	m^3	-	-	-	-	0
	Rivers and lakes	m^3	-	-	-	-	27,375
	Third-party sources	m^3	-	-	-	-	21,472
Water use*		m^3	13,000	49,477	53,007	51,342	-
Water consumption		m^3	-	-	-	-	1,247

* Until FY 2023, water withdrawal was disclosed as water use. Starting in FY2024, we disclose water consumption as the difference between water withdrawal and water discharge.

Scope of calculation
FY2020: Toyosu Head Office Building of BIPROGY Inc.
FY2021: BIPROGY Inc. and 24 consolidated companies excluding its investment business limited partnerships (covering main sites worldwide)
FY2022: BIPROGY Inc. and 25 consolidated companies excluding its investment business limited partnerships (covering main sites worldwide)
FY2023: BIPROGY Inc. and 28 consolidated companies (covering main sites worldwide, and 100% of total BIPROGY Group personnel)
FY2024: BIPROGY Inc. and 31 consolidated companies (covering main sites worldwide, and 100% of total BIPROGY Group personnel)

To help build a circular economy across the entire value chain, we promote waste management and resource circulation.

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Waste Management

Based on the BIPROGY Group Environmental Policy and the Environmental Long-term Vision 2050, we strive for effective waste management and resource circulation. In addition, we have issued the BIPROGY Group Sustainable Procurement Guidelines, which specify requirements for all suppliers in our supply chain. These guidelines request initiatives to reduce waste, including the reduction, reuse, and recycling of materials and environmentally responsible packaging.

Since fiscal 2021, we have disclosed information on both the amount of waste recycled and the amount of waste disposal across the entire Group.

To further promote the circular economy, we are examining measures to reduce the generation of e-waste from servers and other electronic equipment while improving recycling rates.

		Unit	FY2020	FY2021	FY2022	FY2023	FY2024
Waste generated		t	213	649	339	386	435
Waste recycled		t	-	280	268	252	296
Recycling rate		%	-	43.1%	79.0%	65.3%	68.2%
Waste disposal	Total waste disposal	t	-	369	71	134	138
	Landfilled	t	-	17	0	0	1
	Incinerated (no energy recovery)	t	-	55	62	93	84
	Other	t	-	297	9	41	53

Scope of calculation
FY2020: BIPROGY Inc. and 12 other companies and 2 organizations (covering main sites in Japan)
FY2021: BIPROGY Inc. and 24 consolidated companies excluding its investment business limited partnerships (covering main sites worldwide)
FY2022: BIPROGY Inc. and 25 consolidated companies excluding its investment business limited partnerships (covering main sites worldwide)
FY2023: BIPROGY Inc. and 18 consolidated companies
FY2024: BIPROGY Inc. and 16 consolidated companies

To help realize a circular economy across the entire value chain, we are committed to using resources appropriately and efficiently.

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Paper Usage

The BIPROGY Group is working to reduce its paper consumption in order to use resources even more responsibly and efficiently.

	Unit	FY2020	FY2021	FY2022	FY2023	FY2024
Paper used	kg	-	25,696	23,698	23,650	20,338
	Thousand sheets	7,250	-	-	-	-

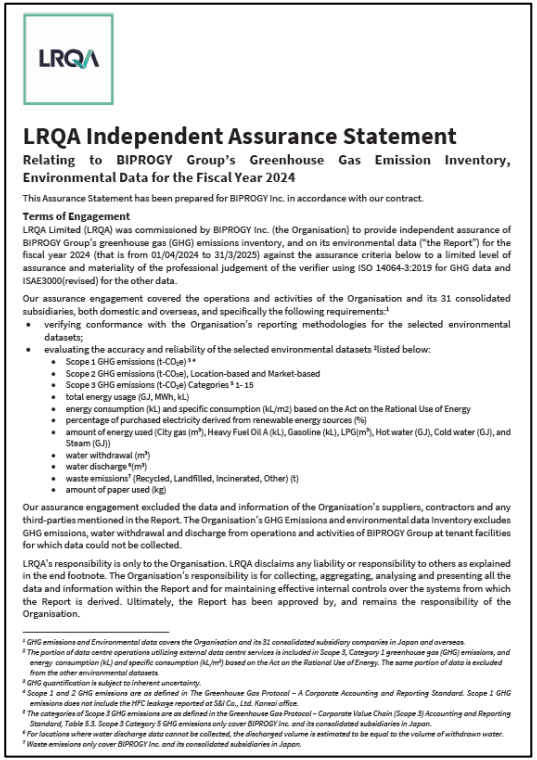
Scope of calculation
FY2020: BIPROGY Inc. and 12 other companies and 2 organizations (covering main sites in Japan)
FY2021: BIPROGY Inc. and 24 consolidated companies excluding its investment business limited partnerships (covering main sites worldwide)
FY2022: BIPROGY Inc. and 25 consolidated companies excluding its investment business limited partnerships (covering main sites worldwide)
FY2023: BIPROGY Inc. and 28 consolidated companies (covering main sites worldwide, and 100% of total BIPROGY Group personnel)
FY2024: BIPROGY Inc. and 31 consolidated companies (covering main sites worldwide, and 100% of total BIPROGY Group personnel)

We use a third-party assurance organization to enhance the reliability of our non-financial reporting information.

Third-Party Assurance of GHG Emissions and Environmental Data

To ensure the accuracy of its reported figures, the BIPROGY Group obtains third-party assurance for its GHG emissions inventory and environmental data.

Independent Assurance Statement
https://sustainability-cms-biprogy-s3.s3.amazonaws.com/pdf/IAS_2025_Environment_en.pdf



LRQA

LRQA Independent Assurance Statement

Relating to BIPROGY Group's Greenhouse Gas Emission Inventory, Environmental Data for the Fiscal Year 2024

This Assurance Statement has been prepared for BIPROGY Inc. in accordance with our contract.

Terms of Engagement

LRQA Limited (LRQA) was commissioned by BIPROGY Inc. (the Organisation) to provide independent assurance of BIPROGY Group's greenhouse gas (GHG) emissions inventory, and on its environmental data ("the Report") for the fiscal year 2024 (that is from 01/04/2024 to 31/3/2025) against the assurance criteria below to a limited level of assurance and materiality of the professional judgement of the verifier using ISO 14064-3:2019 for GHG data and ISAE3000(revised) for the other data.

Our assurance engagement covered the operations and activities of the Organisation and its 31 consolidated subsidiaries, both domestic and overseas, and specifically the following requirements:[1]

- verifying conformance with the Organisation's reporting methodologies for the selected environmental datasets;
- evaluating the accuracy and reliability of the selected environmental datasets [2]listed below:
  - Scope 1 GHG emissions (t-CO_2e) [3] [4]
  - Scope 2 GHG emissions (t-CO_2e), Location-based and Market-based
  - Scope 3 GHG emissions (t-CO_2e) Categories [5] 1- 15
  - total energy usage (GJ, MWh, kL)
  - energy consumption (kL) and specific consumption (kL/m2) based on the Act on the Rational Use of Energy
  - percentage of purchased electricity derived from renewable energy sources (%)
  - amount of energy used (City gas (m^3), Heavy Fuel Oil A (kL), Gasoline (kL), LPG(m^3), Hot water (GJ), Cold water (GJ), and Steam (GJ))
  - water withdrawal (m^3)
  - water discharge [6](m^3)
  - waste emissions [7] (Recycled, Landfilled, Incinerated, Other) (t)
  - amount of paper used (kg)

Our assurance engagement excluded the data and information of the Organisation's suppliers, contractors and any third-parties mentioned in the Report. The Organisation's GHG Emissions and environmental data Inventory excludes GHG emissions, water withdrawal and discharge from operations and activities of BIPROGY Group at tenant facilities for which data could not be collected.

LRQA's responsibility is only to the Organisation. LRQA disclaims any liability or responsibility to others as explained in the end footnote. The Organisation's responsibility is for collecting, aggregating, analysing and presenting all the data and information within the Report and for maintaining effective internal controls over the systems from which the Report is derived. Ultimately, the Report has been approved by, and remains the responsibility of the Organisation.

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[1] GHG emissions and Environmental data covers the Organisation and its 31 consolidated subsidiary companies in Japan and overseas.
[2] The portion of data centre operations utilizing external data centre services is included in Scope 3, Category 1 greenhouse gas (GHG) emissions, and energy consumption (kL) and specific consumption (kL/m^2) based on the Act on the Rational Use of Energy. The same portion of data is excluded from the other environmental datasets.
[3] GHG quantification is subject to inherent uncertainty.
[4] Scope 1 and 2 GHG emissions are as defined in The Greenhouse Gas Protocol – A Corporate Accounting and Reporting Standard. Scope 1 GHG emissions does not include the HFC leakage reported at S&I Co., Ltd. Kansai office.
[5] The categories of Scope 3 GHG emissions are as defined in the Greenhouse Gas Protocol – Corporate Value Chain (Scope 3) Accounting and Reporting Standard, Table 5.3. Scope 3 Category 5 GHG emissions only cover BIPROGY Inc. and its consolidated subsidiaries in Japan.
[6] For locations where water discharge data cannot be collected, the discharged volume is estimated to be equal to the volume of withdrawn water.
[7] Waste emissions only cover BIPROGY Inc. and its consolidated subsidiaries in Japan.

Chapter 5. Climate Transition Plan

Climate Transition Plan

We aim to help build a world of net-zero emissions by providing environmentally friendly products and services to our customers and society, while also reducing GHG emissions from our business activities.

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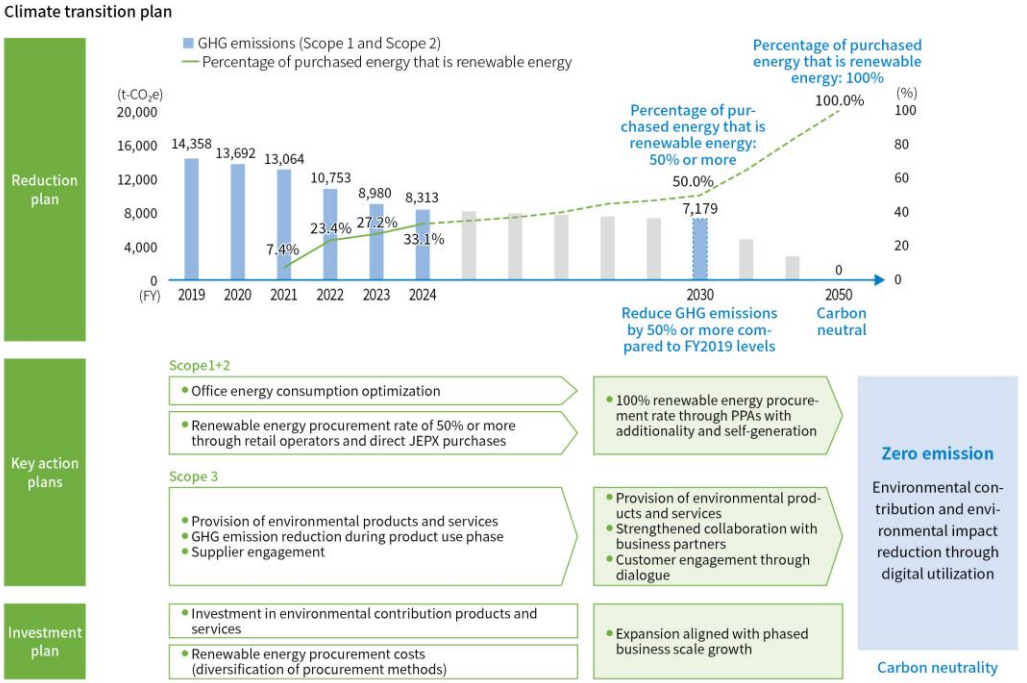
Overview of the Group's Climate Transition Plan

The Group is committed to achieving carbon neutrality and a world of net-zero emissions. Based on the governance, strategy, risk and impact management, as well as indicators and targets described in Chapters 1 to 4 of this report, we have prepared a climate transition plan consisting of plans for emission reduction, key action measures, and investment. The plan has been implemented based on approval of the Board of Directors.

While the climate transition plan is carried out under the Board's oversight, progress is managed by sustainability-related committees that regularly review, enhance, and update the plan. By fiscal 2030, we aim to reduce Scope 1 and 2 emissions by more than 50% compared to fiscal 2019 through optimization of office energy consumption and procurement of renewable energy. The Group aims to achieve net-zero emissions, including Scope 3, by fiscal 2050. To this end, we plan to procure 100% renewable energy and pursue four key initiatives: boosting green procurement, providing environmentally related products and services, reducing greenhouse gas emissions during the use of sold products, and finally, encouraging suppliers to take emission reduction measures.



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